

PUBLIC WORKS AND UTILITIES COMMITTEE

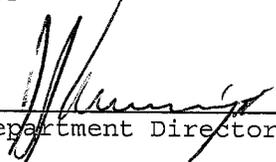
14-0200R

RESOLUTION ACCEPTING CONVEYANCE OF PROPERTY FROM DEDA
FOR RECREATIONAL PURPOSES.

CITY PROPOSAL:

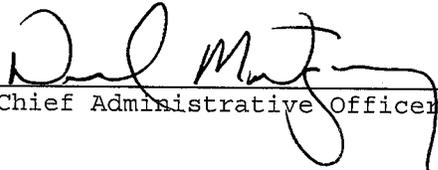
RESOLVED, that the proper city officials are hereby authorized to accept the conveyance of certain property from the Duluth Economic Development Authority ("DEDA"), generally described in DEDA Resolution No. 14D-06, a copy of which is on file in the office of the city clerk as Public Document No. _____ and which is more particularly described in Public Document No. _____, for recreation-related uses.

Approved:



Department Director

Approved for presentation to council:



Chief Administrative Officer

Approved as to form:



Attorney

Approved:



Auditor

ENG/ATTY REA:cjh 4/17/2014

STATEMENT OF PURPOSE: The purpose of this resolution is to accept the conveyance of certain property from DEDA for recreation-related uses.

In 1997, the City needed to acquire a portion of the Soo Line Railroad right-of-way lying between old Michigan Street and I-35 in the Lincoln Park neighborhood from the Canadian Pacific Railroad, its then-current owner, for the development of new Michigan Street in the neighborhood.

This property was part of a stretch of right-of-way running from Point-of-Rocks to approximately 43rd Avenue West that was unused and unneeded by the railroad. In addition to the right-of-way through Lincoln Park needed by the City, it included a narrow strip of property adjacent to a number of commercial properties west of 22nd Avenue west, interspersed with some larger blocks of property, some of which were developable and some of which were literally underwater, such as property platted as New York Pier and Philadelphia Pier west of 40th Avenue West.

While the railroad was willing to sell the right-of-way needed for new Michigan Street, they were only willing sell this property along with the rest of the unused right-of-way on an all-or-nothing basis.

A decision was made that DEDA would purchase all of the right-of-way, re-convey the property needed for new Michigan Street to the City at its share of the cost of acquisition and then DEDA would be charged with selling off the rest of it to assist in development of adjacent or new businesses, which it did, to the extent that the property was developable. However, knowing that there might be a need to utilize portions of some of the properties for a recreational trail through the area, where that appeared to be a reasonable possibility DEDA retained trail easements when it sold the property and accepted a discounted value for the property.

The City is now in need of acquiring some of the right-of-way and easements owned by DEDA for trail and other recreational uses. DEDA has agreed to convey the needed property to the City at no cost with the understanding that the City will accept all of the remaining right-of-way, which has no development value but which would have value to the City for passive recreational purposes along with trail-related property.

By its Resolution 14D-06, DEDA authorized this conveyance. This resolution would authorize acceptance of this property.

RESOLUTION 14D-06

RESOLUTION AUTHORIZING THE CONVEYANCE TO THE CITY OF DULUTH CERTAIN PROPERTY FOR THE CROSS CITY TRAIL

RESOLVED, by the Duluth Economic Development Authority (DEDA), that

1. That the DEDA Board of Commissioners hereby make the following findings:

A. That in 1997, DEDA in cooperation with the City of Duluth acquired the so-called Soo Line Railroad Right-of-way property to assist the City in securing right-of-way for the re-alignment of Michigan Street and to facilitate the redevelopment of the remainder of the railroad right-of-way by conveying it for private development; and

B. Portions of said railroad right-of-way remain unsold because it is unsuitable for economic development purposes because of the condition of the property, geotechnical conditions and the existing uses on surrounding property; and

C. That DEDA has determined that said unsold railroad right-of-way has no present utility or value for economic development purposes and it is not reasonable to expect that this condition will change in the foreseeable future; and

D. The City is in need of significant portions of said unsold railroad right-of-way for trail and recreational purposes and has requested that DEDA convey said right-of-way to the City at no cost to City; and

E. DEDA has determined that the highest and best use of said unsold railroad right-of-way is for trail and recreational purposes and is willing to convey it to the City of Duluth at no cost.

2. The proper DEDA officials are hereby authorized to convey all of DEDA's interest in the following property and easements located in St. Louis County, Minnesota, pursuant to Minnesota Statutes 469.105, by quit claim deed to the City of Duluth at no cost to City:

Property:

Lots 1-3, Block 17 AND Lots 1-6, Block 22, all in O'HARA'S DIVISION OF DULUTH; and

Erie Pier Duluth, Lots 9-34, Ontario Pier Duluth, Lots 9-34, Pittsburg Pier Duluth, Lots 9-34, Philadelphia Pier Duluth, and Lots 1-8, New York Pier, all in the Plat of ONEOTA; and

An easement over:

Nw'ly 20 feet of Lots 1-8, Block 15

HARRINGTON'S ADDITION to DULUTH

Nw'ly 20 feet of Lots 1-4, Boston Pier Duluth

Approved by the Duluth Economic Development Authority this 26th day of February, 2014.

ATTEST:

Executive Director

STATEMENT OF PURPOSE: DEDA purchased former railroad right-of-way (ROW) from the Soo railroad in 1997. The purchase was initiated to make land available to the City for its realignment of West Michigan Street. The excess ROW was then sold by the DEDA for purpose of economic development. The majority of the land sales were of narrow, 45' parcels to the adjacent property owners. There were several larger lots included in the ROW inventory; those were sold through a competitive project basis. In anticipation of the future construction of a City Cross City Trail, DEDA retained trail easements--to be eventually conveyed to the City--in the land sales along the proposed route.

Since that time, the trail route has changed numerous times and the City is now ready to construct the next segment of the trail that involves former ROW properties. In addition, there are several large parcels that are unsuitable for economic development purposes due to their wetland conditions; they would be better suited for natural preservation/recreational purposes. This resolution authorizes the free conveyance by DEDA to the City of these excess properties for trail and recreation purposes.

First American Title Insurance Company
332 West Superior Street, #100 Providence Building
Duluth, MN 55802

April 08, 2014

Patrick Loomis
City of Duluth
411 W 1st ST
Duluth, MN 55802
Phone: (218)730-5094
Fax: (218)730-5901

Any inquiries concerning this Owners and Encumbrance Report, please call the Customer Service Department at (218)722-1495 or mproduction@firstam.com.

Order Number: 1345982

Property: XXX Michigan Street
Duluth, Minnesota 55802

Attached please find the following item(s):

Owners and Encumbrances Report

Thank You for your confidence and support.

Customer First!

OWNERS AND ENCUMBRANCES REPORT

File No. 1345982

For the exclusive use of :

City of Duluth

Effective Date of this Report: March 28, 2014, at 7:00 A.M.

On Real Estate described as:

Parcel I:

Lots One (1) - Three (3), Block Seventeen (17), Ohara's Division of Duluth, St. Louis County, Minnesota

AND

Lots One (1) - Six (6), Block Twenty-Two (22), Ohara's Division of Duluth, St. Louis County, Minnesota;

AND

Parcel II:

Erie Pier Duluth, Lots Nine (9) - Thirty-four (34), Ontario Pier Duluth, Lots Nine (9) - Thirty-four (34), Pittsburg Pier Duluth, Lots Nine (9) - Thirty-four (34), all in the Plat of Oneota;

AND

Parcel III

Philadelphia Pier Duluth, all in the Plat of Oneota;

AND

Parcel IV:

Lots One (1) - Eight (8), New York Pier, Oneota;

AND

Parcel V:

An easement over the Northwesterly 20 feet of Lots One (1) - Eight (8), Block Fifteen (15) Harrington's addition to Duluth and the Northwesterly 20 feet of Lots One (1) - Four (4), Boston Pier Duluth

The County Recorders or Register of Titles records indicate that:

A. The Grantees on the last deed of conveyance, are:

Parcel I and II: Duluth Economic Development Authority by virtue of that Quit Claim Deed dated February 6, 1998, recorded December 15, 1998 as Document No. 738012 in the office of the County Recorder.

Parcel III: Duluth Economic Development Authority by virtue of that Quit Claim Deed dated February 6, 1998, recorded December 15, 1998 as Document No. 738012 in the office of the County Recorder, subject to the rights of the City of Duluth by virtue of that Quit Claim Deed recorded August 10, 1990 as Document No. 503553.

Parcel IV: Lots 1-4, City of Duluth by virtue of that Quit Claim Deed recorded August 10, 1990 as Document No. 503553.

Lots 5-8 City of Duluth by virtue of that Quit Claim Deed recorded August 10, 1990 as Document No. 503553.

Parcel V: Duluth Economic Development Authority by virtue of that Recreational Trail and Utility Easement dated September 29, 2000, recorded October 3, 2000 as Document No. 797554.

- B. The Real Estate is encumbered by the following Mortgages, Contract for Deeds, and other liens, including: Mechanic's Liens, Tax Liens, Bankruptcies and Judgments:
1. Vacation of Helm Street abutting Lots 1-3, Block 17 and Lots 2-6, Block 22 O'Hara's Division of Duluth, recorded April 4, 1974 as Document No. 191562. Affects Parcel I (See Copy Attached)
 2. Resolution by Duluth Economic Development Authority authorizing entering in to an easement agreement with Minnesota Power recorded May 22, 2001 as Document No. 816574. Affects Parcel 1 (Copy Attached)
 3. Easement Agreement by and between Duluth Economic Development Authority and Minnesota Power, dated May 16, 2001, recorded May 22, 2001 as Document No. 816575. Affects Parcel I. (Copy attached)
 4. Resolution for the vacation of portions of Helm Street and Michigan Street in O'Hara's Division recorded March 8, 2007 as Document No. 1044875. Affects Parcel I. (Copy attached)

The County Tax Records indicate that the real estate taxes are:

Taxes currently due and payable in **2014**
Amount: \$ **78.80**
PIN: **010-3590-01300**
Homestead or non-homestead: **Industrial**
Delinquent taxes: **None**
Address: **None stated, Duluth, MN 55802**
Estimated Market Value: \$ **2,000.00**

The County Tax Records indicate that the real estate taxes are:

Taxes currently due and payable in **2014**
Amount: \$ **70.94**
PIN: **010-3590-01310**
Homestead or non-homestead: **Industrial**
Delinquent taxes: **None**
Address: **None stated, Duluth, MN 55802**
Estimated Market Value: \$ **1,800.00**

The County Tax Records indicate that the real estate taxes are:

Taxes currently due and payable in **2014**
Amount: \$ **859.04**
PIN: **010-3590-01320**
Homestead or non-homestead: **Industrial**
Delinquent taxes: **None**
Address: **None stated, Duluth, MN 55802**
Estimated Market Value: \$ **21,800.00**

The County Tax Records indicate that the real estate taxes are:

Taxes currently due and payable in **2014**
Amount: \$ **405.88**
PIN: **010-3590-00940**
Homestead or non-homestead: **Industrial**
Delinquent taxes: **None**
Address: **None stated, Duluth, MN 55802**
Estimated Market Value: \$ **10,300.00**

The County Tax Records indicate that the real estate taxes are:

Taxes currently due and payable in **2014**
Amount: \$ **319.18**
PIN: **101-3670-00060**
Homestead or non-homestead: **Industrial**
Delinquent taxes: **None**
Address: **None stated, Duluth, MN 55802**
Estimated Market Value: \$ **8,100.00**

The County Tax Records indicate that the real estate taxes are:

Taxes currently due and payable in **2014**
Amount: \$ **587.14**
PIN: **010-3660-00090**
Homestead or non-homestead: **Industrial**
Delinquent taxes: **None**
Address: **None stated, Duluth, MN 55802**
Estimated Market Value: \$ **14,900.00**

The County Tax Records indicate that the real estate taxes are:

Taxes currently due and payable in **2014**

Amount: \$ **441.34**

PIN: **010-3660-00170**

Homestead or non-homestead: **Industrial**

Delinquent taxes: **None**

Address: **None stated, Duluth, MN 55802**

Estimated Market Value: \$ **11,200.00**

The County Tax Records indicate that the real estate taxes are:

Taxes currently due and payable in **2014**

Amount: \$ **275.84**

PIN: **010-3650-00090**

Homestead or non-homestead: **Industrial**

Delinquent taxes: **None**

Address: **None stated, Duluth, MN 55802**

Estimated Market Value: \$ **7,000.00**

The County Tax Records indicate that the real estate taxes are:

Taxes currently due and payable in **2014**

Amount: \$ **441.34**

PIN: **010-3650-00170**

Homestead or non-homestead: **Industrial**

Delinquent taxes: **None**

Address: **None stated, Duluth, MN 55802**

Estimated Market Value: \$ **11,200.00**

The County Tax Records indicate that the real estate taxes are:

Taxes currently due and payable in **2014**

Amount: \$ **0.00**

PIN: **010-3640-00085**

Homestead or non-homestead: **Industrial**

Delinquent taxes: **None**

Address: **None stated, Duluth, MN 55802**

Estimated Market Value: \$ **3,300.00**

The County Tax Records indicate that the real estate taxes are:

Taxes currently due and payable in **2014**

Amount: \$ **275.84**

PIN: **010-3640-00090**

Homestead or non-homestead: **Industrial**

Delinquent taxes: **None**

Address: **None stated, Duluth, MN 55802**

Estimated Market Value: \$ **7,000.00**

The County Tax Records indicate that the real estate taxes are:

Taxes currently due and payable in **2014**

Amount: \$ **382.24**

PIN: **010-3640-00170**

Homestead or non-homestead: **Industrial**

Delinquent taxes: **None**

Address: **None stated, Duluth, MN 55802**

Estimated Market Value: \$ **9,700.00**

The County Tax Records indicate that the real estate taxes are:

Taxes currently due and payable in **2014**

Amount: \$ **0.00**

PIN: **010-3630-00010**

Homestead or non-homestead: **Industrial**

Delinquent taxes: **None**

Address: **None stated, Duluth, MN 55802**

Estimated Market Value: \$ **2,500.00**

The County Tax Records indicate that the real estate taxes are:

Taxes currently due and payable in **2014**

Amount: \$ **0.00**

PIN: **010-3630-00020**

Homestead or non-homestead: **Industrial**

Delinquent taxes: **None**

Address: **None stated, Duluth, MN 55802**

Estimated Market Value: \$ **2,500.00**

The County Tax Records indicate that the real estate taxes are:

Taxes currently due and payable in **2014**
Amount: \$ **0.00**
PIN: **010-3630-00030**
Homestead or non-homestead: **Industrial**
Delinquent taxes: **None**
Address: **None stated, Duluth, MN 55802**
Estimated Market Value: \$ **2,500.00**

The County Tax Records indicate that the real estate taxes are:

Taxes currently due and payable in **2014**
Amount: \$ **0.00**
PIN: **010-3630-00040**
Homestead or non-homestead: **Industrial**
Delinquent taxes: **None**
Address: **None stated, Duluth, MN 55802**
Estimated Market Value: \$ **2,500.00**

The County Tax Records indicate that the real estate taxes are:

Taxes currently due and payable in **2014**
Amount: \$ **90.64**
PIN: **010-3630-00050**
Homestead or non-homestead: **Industrial**
Delinquent taxes: **None**
Address: **None stated, Duluth, MN 55802**
Estimated Market Value: \$ **2,300.00**

The County Tax Records indicate that the real estate taxes are:

Taxes currently due and payable in **2014**

Amount: \$ **0.00**

PIN: **010-3630-00060**

Homestead or non-homestead: **Industrial**

Delinquent taxes: **None**

Address: **None stated, Duluth, MN 55802**

Estimated Market Value: \$ **5,100.00**

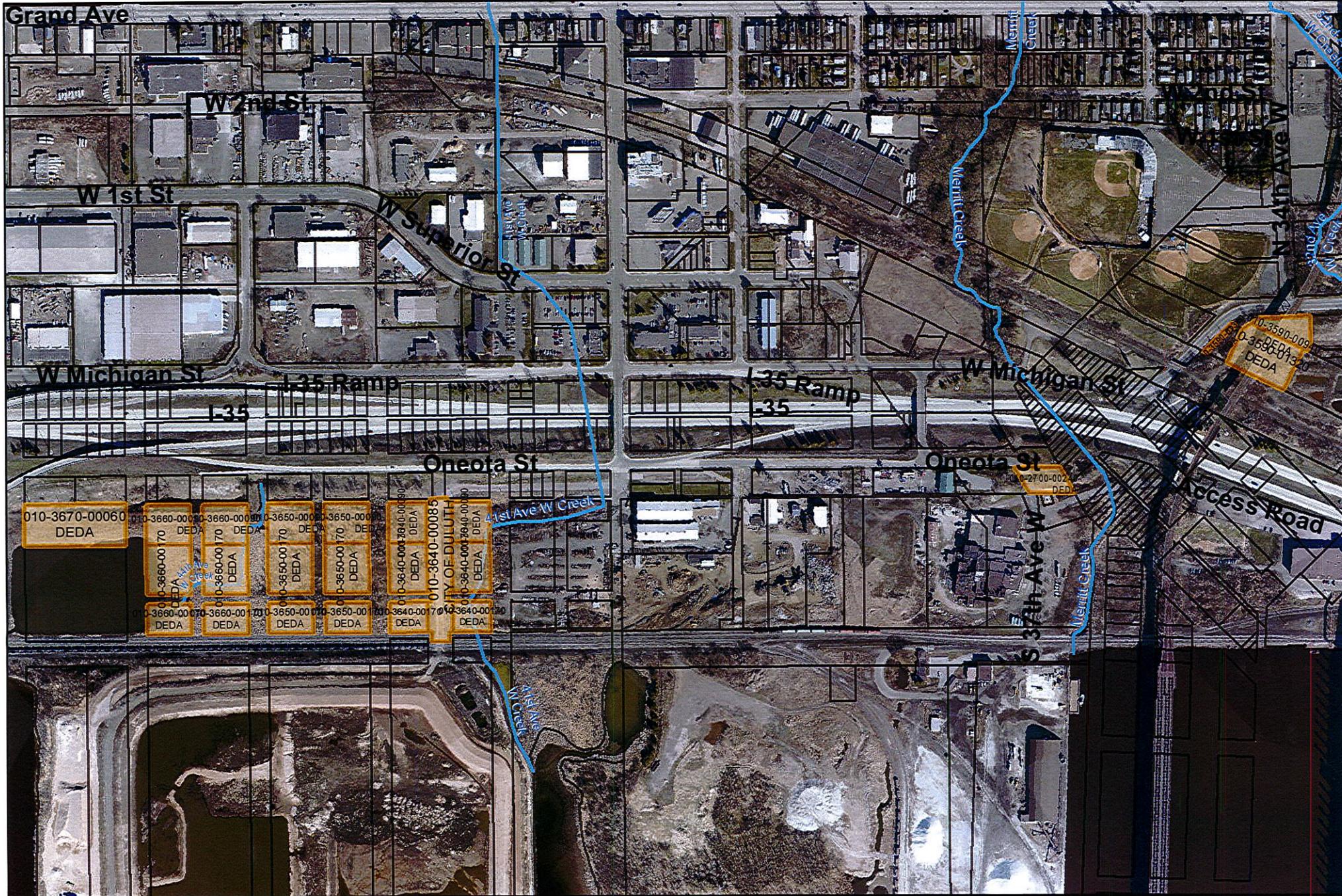
This Report is limited to only the information described above.

This Report specifically does not include information relating to:

- a. Rights of dower, curtesy, homestead, or other marital rights of spouse if any, of any individual shown.
- b. Any lien, or right to lien, for services, labor or materials heretofore or hereafter furnished or imposed by law.
- c. Any encroachments, measurements, party walls, overlaps, boundary line disputes, or other matters which would be disclosed by an accurate survey or inspection of the real estate.
- d. Easements, or claims of easements.
- e. Rights or claims of parties in possession not shown by the public records.
- f. Minerals and mineral rights.
- g. Covenants, conditions, and restrictions.
- h. Levied and/or pending special assessments.

This report is not nor is to be construed as, an Abstract of Title, title opinion, or title insurance policy.

The total liability of this Company by reason of losses and damages that may occur by reason of any errors and omissions in this Company's report, is limited to the fee it received for the preparation and issuance of this report.



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Exhibit A DEDA Property Conveyance to City of Duluth

 DEDA Property

1:6,000
 1 inch = 500 feet
 0 250 500 Feet

Photo Date: May 2013
 Print Date: 4/24/2014

Prepared By:
 The City of Duluth GIS Office

